



FEDERAL RESERVE SYSTEM

Proposed Agency Information Collection Activities; Comment Request

AGENCY: Board of Governors of the Federal Reserve System.

ACTION: Notice, request for comment.

SUMMARY: The Board of Governors of the Federal Reserve System (Board) invites comment on a proposal to extend for three years, with revision the Recordkeeping and Disclosure Requirements Associated with Loans Secured by Real Estate Located in Flood Hazard Areas Pursuant to Regulation H (FR H-2; OMB 7100-0280) of the Board's rules.

DATES: Comments must be submitted on or before **[INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**.

ADDRESSES: You may submit comments, identified by FR H-2, by any of the following methods:

- Agency Website: <https://www.federalreserve.gov/>. Follow the instructions for submitting comments at <https://www.federalreserve.gov/apps/foia/proposedregs.aspx>.
- E-mail: regs.comments@federalreserve.gov. Include the OMB number or FR number in the subject line of the message.
- FAX: (202) 452-3819 or (202) 452-3102.
- Mail: Ann E. Misback, Secretary, Board of Governors of the Federal Reserve System, 20th Street and Constitution Avenue, NW, Washington, DC 20551.

All public comments are available from the Board's website at <https://www.federalreserve.gov/apps/foia/proposedregs.aspx> as submitted, unless modified for technical reasons or to remove personally identifiable information at the

commenter's request. Accordingly, comments will not be edited to remove any confidential business information, identifying information, or contact information. Public comments may also be viewed electronically or in paper in Room 146, 1709 New York Avenue, NW, Washington, DC 20006, between 9:00 a.m. and 5:00 p.m. on weekdays. For security reasons, the Board requires that visitors make an appointment to inspect comments. You may do so by calling (202) 452-3684. Upon arrival, visitors will be required to present valid government-issued photo identification and to submit to security screening in order to inspect and photocopy comments.

Additionally, commenters may send a copy of their comments to the Office of Management and Budget (OMB) Desk Officer for the Federal Reserve Board, Office of Information and Regulatory Affairs, Office of Management and Budget, New Executive Office Building, Room 10235, 725 17th Street, NW, Washington, DC 20503, or by fax to (202) 395-6974.

FOR FURTHER INFORMATION CONTACT: Federal Reserve Board Clearance Officer – Nuha Elmaghrabi – Office of the Chief Data Officer, Board of Governors of the Federal Reserve System, Washington, DC 20551, (202) 452-3829.

SUPPLEMENTARY INFORMATION: On June 15, 1984, OMB delegated to the Board authority under the Paperwork Reduction Act (PRA) to approve and assign OMB control numbers to collections of information conducted or sponsored by the Board. In exercising this delegated authority, the Board is directed to take every reasonable step to solicit comment. In determining whether to approve a collection of information, the Board will consider all comments received from the public and other agencies.

During the comment period for this proposal, a copy of the proposed PRA OMB submission, including the draft reporting form and instructions, supporting statement, and other documentation, will be made available on the Board's public website at <https://www.federalreserve.gov/apps/reportforms/review.aspx> or may be requested from the agency clearance officer, whose name appears above. Final versions of these documents will be made available at <https://www.reginfo.gov/public/do/PRAMain>, if approved.

Request for Comment on Information Collection Proposal

The Board invites public comment on the following information collection, which is being reviewed under authority delegated by the OMB under the PRA. Comments are invited on the following:

- a. Whether the proposed collection of information is necessary for the proper performance of the Board's functions, including whether the information has practical utility;
- b. The accuracy of the Board's estimate of the burden of the proposed information collection, including the validity of the methodology and assumptions used;
- c. Ways to enhance the quality, utility, and clarity of the information to be collected;
- d. Ways to minimize the burden of information collection on respondents, including through the use of automated collection techniques or other forms of information technology; and
- e. Estimates of capital or startup costs and costs of operation, maintenance, and purchase of services to provide information.

At the end of the comment period, the comments and recommendations received will be analyzed to determine the extent to which the Board should modify the proposal.

Proposal under OMB Delegated Authority to Extend for Three Years, With Revision, the Following Information Collection:

Report title: Recordkeeping and Disclosure Requirements Associated with Loans Secured by Real Estate Located in Flood Hazard Areas Pursuant to Section 208.25 of Regulation H.

Agency form number: FR H-2.

OMB control number: 7100-0280.

Frequency: On occasion.

Respondents: State member banks (SMBs).

Estimated number of respondents: Recordkeeping: Private flood insurance (Sections 208.25(c)(3)(iii) and (iv)), 11,171; Retention of standard Federal Emergency Management Agency (FEMA) form (Section 208.25(f)(2)), 728; Notice of special flood insurance (Section 208.25(i)), 728; Disclosure: Notice of special flood hazards and availability of federal disaster relief assistance with escrow notice, as applicable (Sections 208.25(i) and (e), as applicable), 728; Notice to FEMA of servicer (Section 208.25(j)(1)), 728; Notice to FEMA of change of servicer (Section 208.25(j)(2)), 728; Notice to borrowers of lapsed mandated flood insurance (Section 208.25(g)), 728; Purchase of flood insurance on the borrower's behalf (Section 208.25(g)), 728; Notice to borrowers of lapsed mandated flood insurance due to remapping (Section 208.25(g)), 728; Purchase of flood insurance on the borrower's behalf due to remapping (Section 208.25(g)), 728;

One-time notice for any designated loan outstanding on July 1 of the year SMB no longer qualifies for small lender exception, 12.

Estimated average time per response: Recordkeeping: Private flood insurance (Sections 208.25(c)(3)(iii) and (iv)), 15 minutes; Retention of standard FEMA form (Section 208.25(f)(2)), 2.5 minutes; Notice of special flood insurance (Section 208.25(i)), 2.5 minutes; Disclosure: Notice of special flood hazards and availability of federal disaster relief assistance with escrow notice, as applicable (Sections 208.25(i) and (e), as applicable), 5 minutes; Notice to FEMA of servicer (Section 208.25(j)(1)), 5 minutes; Notice to FEMA of change of servicer (Section 208.25(j)(2)), 5 minutes; Notice to borrowers of lapsed mandated flood insurance (Section 208.25(g)), 5 minutes; Purchase of flood insurance on the borrower's behalf (Section 208.25(g)), 15 minutes; Notice to borrowers of lapsed mandated flood insurance due to remapping (Section 208.25(g)), 5 minutes; Purchase of flood insurance on the borrower's behalf due to remapping (Section 208.25(g)), 15 minutes; One-time notice for any designated loan outstanding on July 1 of the year SMB no longer qualifies for small lender exception, 40 hours.

Estimated annual burden hours: Recordkeeping: Private flood insurance (Sections 208.25(c)(3)(iii) and (iv)), 2,793; Retention of standard FEMA form (Section 208.25(f)(2)), 12,255; Notice of special flood insurance (Section 208.25(i)), 2,457; Disclosure: Notice of special flood hazards and availability of federal disaster relief assistance with escrow notice, as applicable (Sections 208.25(i) and (e), as applicable), 4,914; Notice to FEMA of servicer (Section 208.25(j)(1)), 4,914; Notice to FEMA of change of servicer (Section 208.25(j)(2)), 2,487; Notice to borrowers of lapsed mandated flood insurance (Section 208.25(g)), 971; Purchase of flood insurance on the borrower's

behalf (Section 208.25(g)), 728; Notice to borrowers of lapsed mandated flood insurance due to remapping (Section 208.25(g)), 485; Purchase of flood insurance on the borrower's behalf due to remapping (Section 208.25(g)), 728; One-time notice for any designated loan outstanding on July 1 of the year SMB no longer qualifies for small lender exception, 480.

General description of report: In general, the federal flood insurance statutes and Regulation H - Membership of State Banking Institutions in the Federal Reserve System (12 CFR 208) provide that a lender shall not make, increase, extend, or renew a loan secured by a building or mobile home located in a special flood hazard area unless the secured property is covered by flood insurance for the term of the loan. With respect to the recordkeeping and disclosure provisions, the regulation generally requires state member banks to retain certain flood hazard documentation and to notify borrowers and servicers regarding properties in flood hazard areas and requirements related to flood insurance. State member banks also must notify FEMA of the identity of, and any change in, the servicer of a loan secured by improved property in a special flood hazard area.

Proposed revisions: The Board proposes to revise the FR H-2 information collection to account for the recordkeeping provision in section 208.25(i) of Regulation H that had not been previously cleared by the Board under the PRA. When a state member bank makes, increases, extends, or renews a loan secured by a building or a mobile home located or to be located in a special flood hazard area, Regulation H requires that the bank mail or deliver a written notice to the borrower and to the servicer in all cases indicating whether flood insurance is available under the National Flood Insurance Program (NFIP) for the collateral securing the loan. The state member bank must retain a record of the receipt of

the notices by the borrower and the servicer for the period of time the bank owns the loan.

Legal authorization and confidentiality: Section 102 of the Flood Disaster Protection Act of 1973, as amended,¹ and section 1364 of the National Flood Insurance Act, as amended,² authorize the Board to impose the disclosure and recordkeeping requirements in section 208.25 of Regulation H. The obligation to comply is mandatory.

Because the Federal Reserve does not collect information from the FR H-2, confidentiality issues generally would not arise. In the event the records are obtained by the Board as part of the examination or supervision of a financial institution, this information may be considered confidential pursuant to exemption 8 of the Freedom of Information Act, which protects information contained in “examination, operating, or condition reports” obtained in the bank supervisory process.³

Board of Governors of the Federal Reserve System, October 27, 2021.

Michele Taylor Fennell,

Deputy Associate Secretary of the Board.

Billing Code 6210-01-P

[FR Doc. 2021-23802 Filed: 11/3/2021 8:45 am; Publication Date: 11/4/2021]

¹ 42 U.S.C. 4012a.

² 42 U.S.C. 4104a.

³ 5 U.S.C. 552(b)(8). The Board also has the authority to require reports from state member banks. (12 U.S.C. 248(a) and 324).